FOLLOW ON BULK PETROLEUM SUPPORT TO USFK

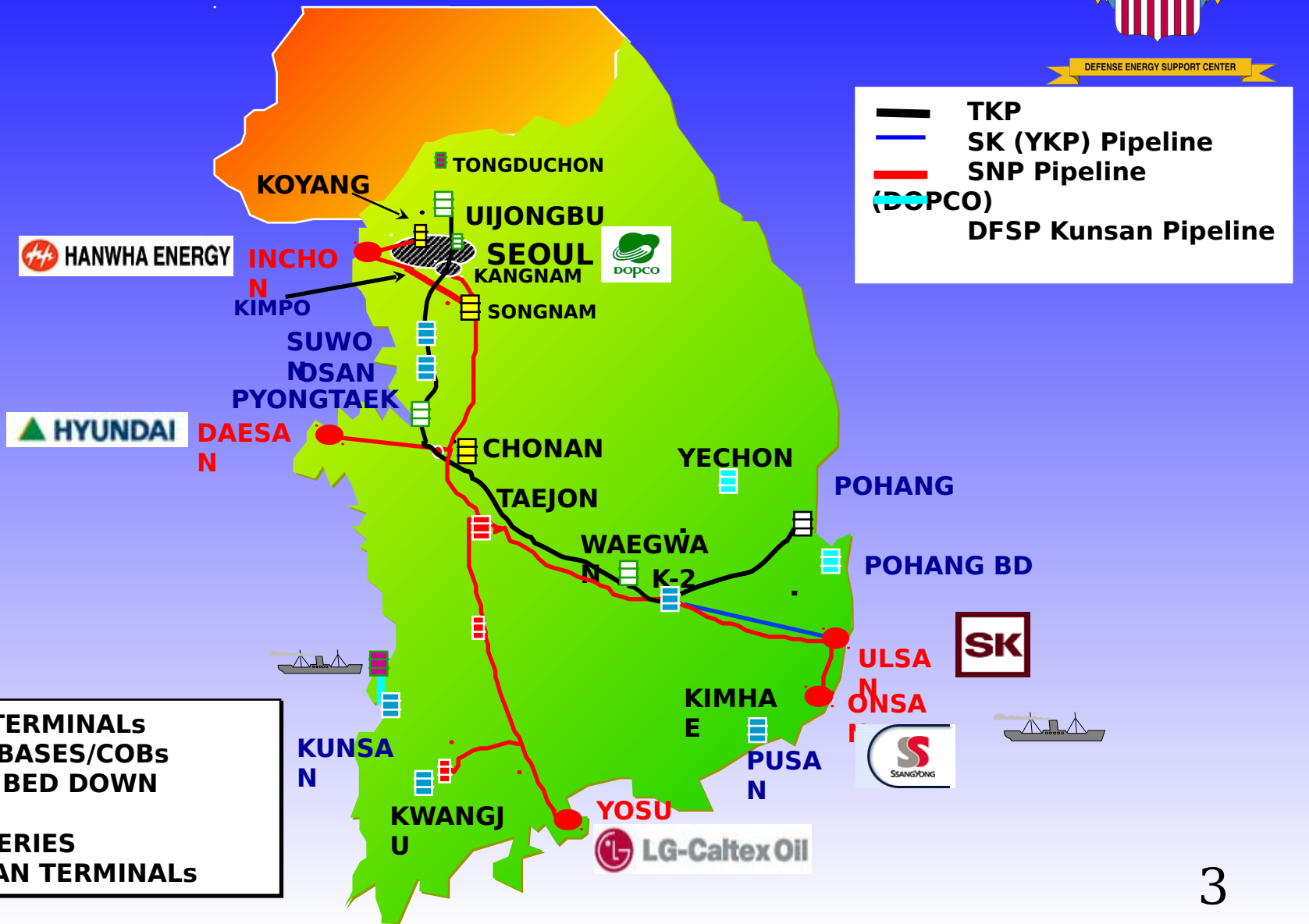
"THE NEGOTATIONS THAT NEVER END"

LTC HEIDI GRAHAM
DESC KOREA

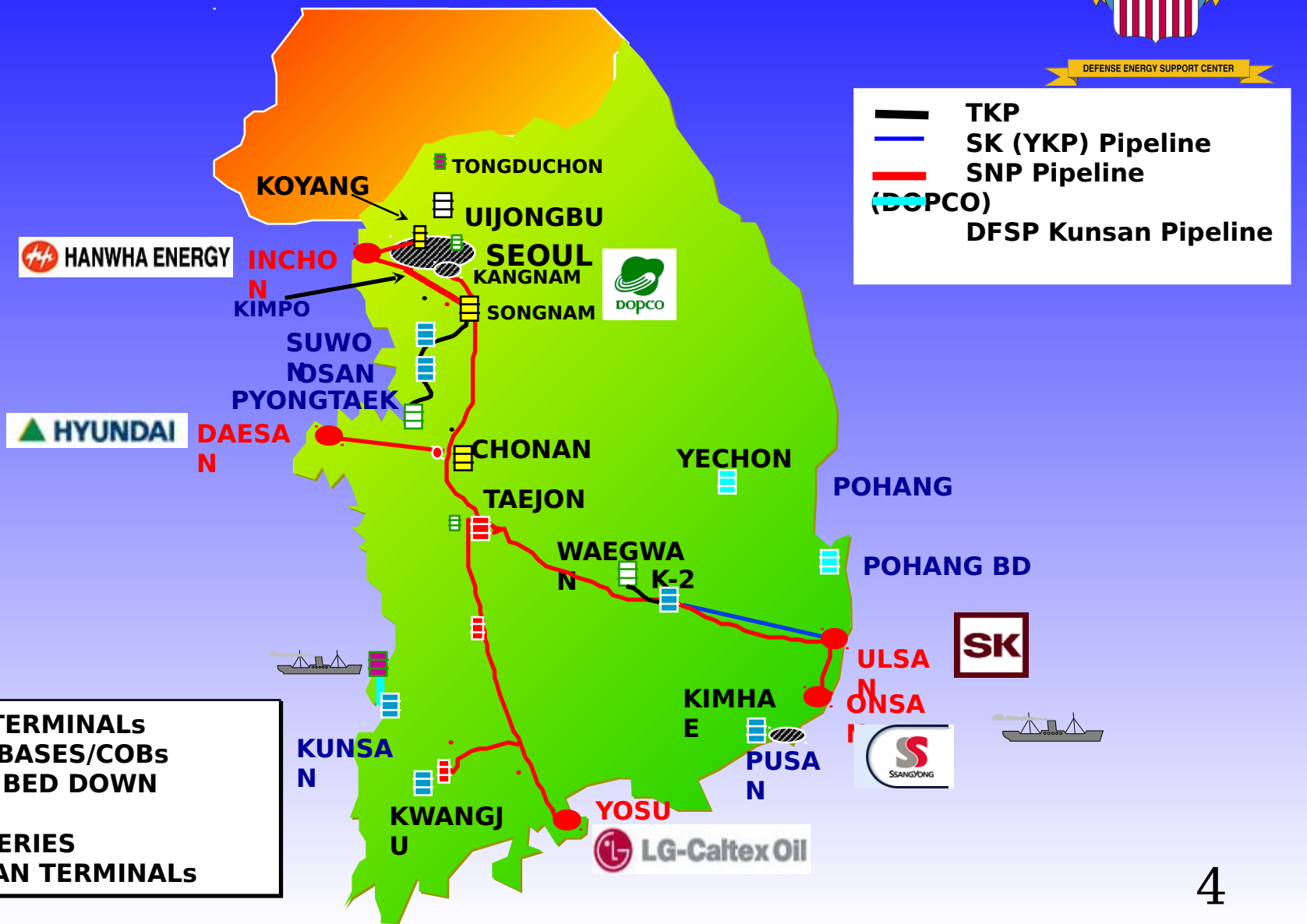
AGENDA

- SETTING
- PLAYERS/POSITION
- NEGOTIATIONS
- LESSONS LEARNED

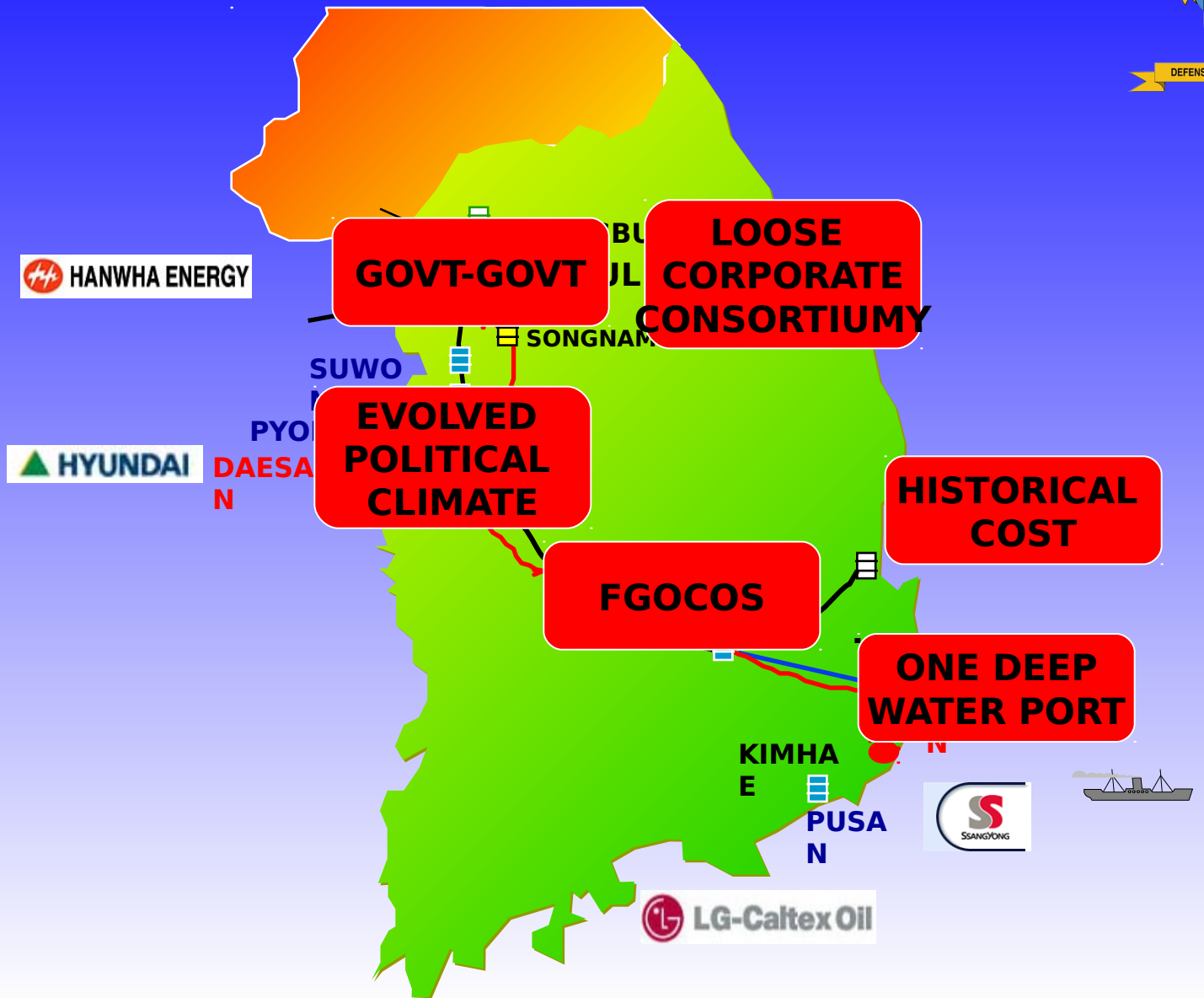
CURRENT BULK FUEL INFRASTRUCTURE



POST NEGOTIATION INFRASTRUCTURE



SETTING



GOVT-GOVT

LOOSE CORPORATE CONSORTIUMY

EVOLVED POLITICAL CLIMATE

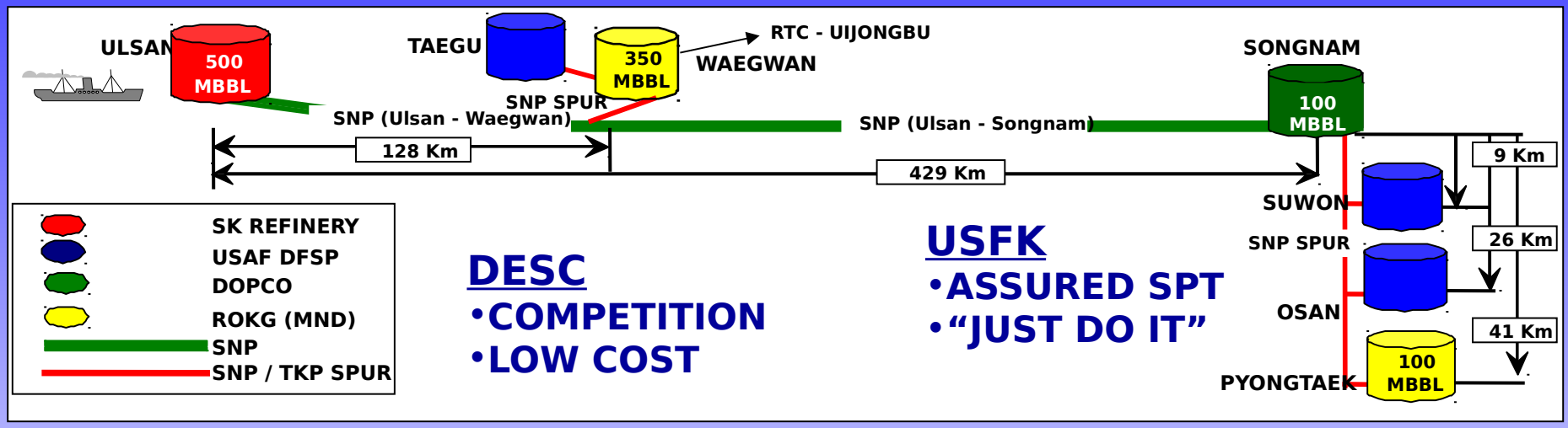
HISTORICAL COST

FGOCOS

ONE DEEP WATER PORT

JP8
T-5 TO ~ USER

PLAYERS



DESC
- COMPETITION
- LOW COST

USFK
- ASSURED SPT
- "JUST DO IT"

DAEHAN OIL AND PIPELINE CO
- CASH FLOW
- LIMIT LIABILITY

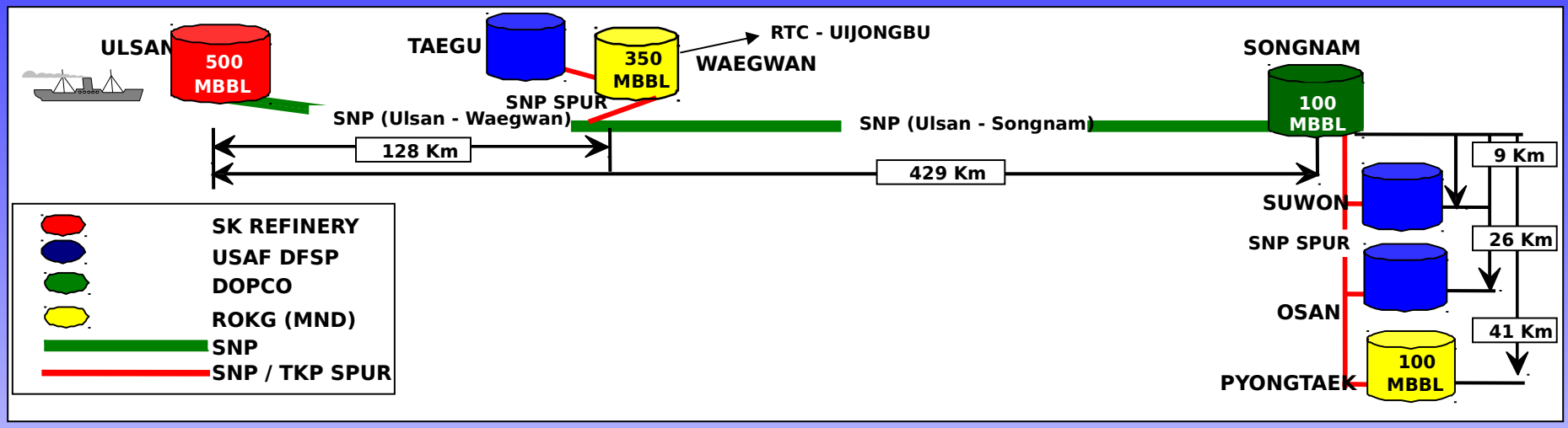
SK CORPORATION
- MARKET SHARE
- PROFIT

ROK GOVT (MND/MOCIE)
- CLOSE TKP
- NO $ INVOLVEMENT
- FACE

COMPETITIV
E
MARKET

JP8
T-5 TO ~ USER

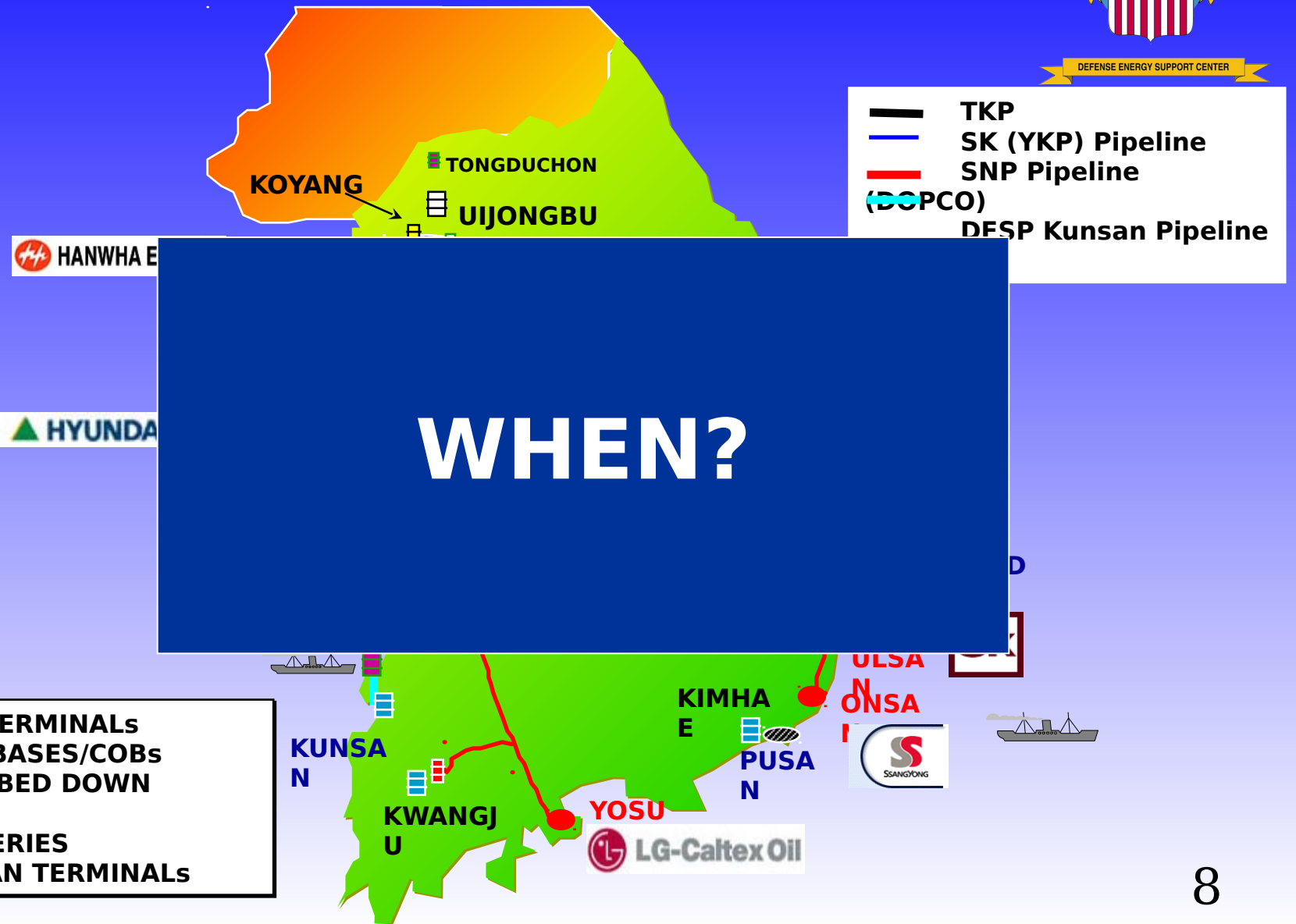
NEGOTIATIONS



	DEEP WATER PORT	PIPELINE	STORAGE/	STORAGE/WR
US	$ .65/yr 5 yrs	$3.78	$2.80	DESC: $0/ $1
ROK	$4.56/yr 5 yrs	$2.00	$10.75	USFK: $0/ $3
FINAL	$2.30/yr 10 yrs	$3.32	$4.66	ROKG: $0/ $3

COMPETITIV
E
MARKET

TKP/SNP NEGOTIATIONS
MILLION DOLLAR QUESTION



LESSONS LEARNED

- STRATEGY
- PATIENCE
- PERSISTENCE
- CULTURE
- RELATIONSHIP
- TIMING